

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES

NOVEMBER 2001



State of Wisconsin
Department of Workforce Development

Unemployment rates are up in October

The **State of Wisconsin** showed a monthly, five-tenths of a percentage point increase in its not seasonally adjusted October unemployment rate to 3.9 percent. The Southeast WDA counties, like most of the counties in Wisconsin, saw not seasonally adjusted unemployment rates increase over the month as well. The nation's unemployment rate has climbed to 5.0 percent. The last month the nation's unemployment rate has been at a five percent clip was March of 1998.

While the U.S. is still dealing with the shock of the September 11 attacks, caution must be urged when placing full blame of the current economic softening solely on these events. Job fallout is inevitable in the wake of these horrifying events but to what degree Wisconsin is affected and the magnitude may not be known in the immediate future. Technically, October data would be the first month's available that could give any indication of industry and labor force reaction to September 11. Despite this, we do know that travel and hospitality and retail trade, nationally, have stood on shaky ground with dampened demand in response to the attacks.

The **Racine MSA's** not seasonally adjusted unemployment rate stands at 6.2 percent for October. This is up seven-tenths of a percentage point from September and is considerably higher than the 3.6 percent rate recorded in October of 2000. Monthly labor force data show 550 fewer employed and 670 more unemployed.

Racine MSA industry data show 340 fewer *net* jobs over the month. Services and manufacturing led the decrease lowering by 290 and 150 jobs, respectively. These two industries are closely tied as many in the services sector are contracted to work in manufacturing environments through personnel supply agencies and are typically the first to be shed from manufacturers, which usually reduce workforces in October. Retail trade decreased slightly over the month as well. Government and transportation made the largest gains over the month as schools finished up staff hiring within the county's districts and contracted bus drivers to shuttle the students. Over the year job

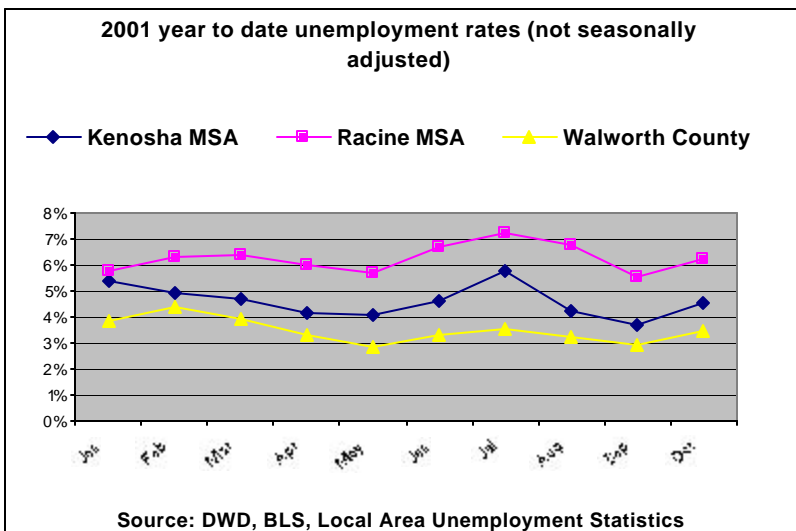
figures show only a half percent total growth in all industries with manufacturing and retail trade as the largest sector decreases as capital spending and consumer confidence have declined and have taken their effect on these sectors.

The **Kenosha MSA** registered a not seasonally adjusted unemployment rate of 4.5 percent for October. This is up nine-tenths of a percentage point over the month and is up 1.9 percent points over the year. Labor force components show 970 more employed over the month and 810 more unemployed. This proportional rise in the number of unemployed to employed is to blame for the unemployment rate increase.

The Kenosha MSA industry data shows a much brighter picture than the rest of the Southeast counties. October brought 780 new jobs mostly in services and retail trade combining for 440 of the new jobs. Manufacturing shows no overall net change over the month and showed a good stride adding 100 jobs in transportation equipment; spurred by huge consumer spending on autos over the last month. Wholesale trade was the only industry to show a loss over the month, decreasing by 20

jobs. The over the year picture paints a scene of no overall job growth largely brought about by a six percent or 800 job decrease in manufacturing, though nondurable goods production shows 100 more jobs than October 2000. Services and Miscellaneous was the industry leader in Kenosha MSA job growth gaining 900 jobs over the year. Retail trade is down slightly over the year, but wholesale trade, so closely tied to manufacturing, has remained flat but not showing any net loss from 12 months ago.

Walworth County's not seasonally adjusted unemployment rate for October stands at 3.5 percent which is five-tenths of a percentage point higher than September's and 1.4 percent points higher than October 2000. Since September, Walworth County reported 630 fewer as employed and a 260 more as unemployed bringing about the rate jump. Given the 1990-2000 timeframe, Walworth County could have expected an October unemployment rate around 2.4 percent and could have remained relatively close to September's rate.



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But the labor force figures go hand in hand with Walworth's industrial scene showing 430 *net* fewer jobs over the month, mostly in the service producing sectors of services and miscellaneous and retail trade which combined show a 660 job loss over the month. It must be noted though that the services and miscellaneous sectors are expected to show losses this large between September and October as the hospitality-centered sectors around Lake Geneva and the inflated health services employment that accompanies the summer residents take a winter respite. The retail trade loss seems larger than ordinary, though and is a reflection of the reduced manufacturing and dampening consumer demand for particular products. Manufacturing is down over the month as has typically been the case in a great deal of Wisconsin counties since the Fall of 2000. Walworth County has actually remained relatively stable in its manufacturing *given the economic climate*, but has not been able to escape the production malaise as of late. It would be fair to even venture that the manu-

facturing slowing in most of the surrounding counties such as Racine, Kenosha and Rock and some Northern Illinois counties also have affected Walworth unemployment rates, and to a degree, the demand for Walworth County products and services used in these surrounding counties' manufacturing production.

Over the year, Walworth has shown considerable growth in retail; finance, insurance and real estate and services, but manufacturing and wholesale trade have decreased four and 2.5 percent, respectively. Walworth County shows 270 net jobs more than October of 2000.

October 2001	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
Civilian Labor Force*	3,050,819	85,741	95,045	55,087	235,873	50,767	39,572
Persons Employed	2,932,520	81,866	89,127	53,180	224,173	47,870	35,622
Persons Unemployed	118,299	3,875	5,918	1,907	11,700	2,897	3,950
Unemployment Rate	3.9%	4.5%	6.2%	3.5%	5.0%	5.7%	10.0%
Total jobs of all non-farm industries**	2,862,882	57,326	83,484	42,869	183,679		
Goods Producing Jobs	722,301	14,097	26,824	11,841	52,762		
Service Producing Jobs	2,140,581	43,229	56,660	31,028	130,917		
Construction & Mining	136,465	2,528	4,129	2,323	8,980		
All Manufacturing	585,836	11,569	22,695	9,518	43,782		
Transportation, Communications & Public Utilities	137,166	2,313	2,435	1,535	6,283		
Wholesale Trade	137,316	2,786	3,485	1,539	7,810		
Retail Trade	504,351	10,997	13,552	8,083	32,632		
Finance, Insurance, and Real Estate	152,798	1,546	2,219	1,676	5,441		
Services	788,527	16,146	24,368	10,630	51,144		
All Government	420,423	9,441	10,601	7,565	27,607		
Change from September 2001							
Civilian Labor Force*	12,560	1,780	120	-360	1,530	1,210	100
Persons Employed	-2,490	970	-550	-630	-210	570	-220
Persons Unemployed	15,060	810	670	260	1,740	640	320
Unemployment Rate	0.5%	0.9%	0.7%	0.5%	0.7%	1.2%	0.8%
Total jobs of all non-farm industries**	6,240	780	-340	-430	20		
Goods Producing Jobs	-6,500	100	-120	-120	-140		
Service Producing Jobs	12,740	680	-220	-310	160		
Construction & Mining	-1,240	90	30	0	120		
All Manufacturing	-5,260	0	-150	-120	-260		
Transportation, Communications & Public Utilities	470	90	90	30	210		
Wholesale Trade	-210	-20	30	0	20		
Retail Trade	2,190	150	-130	-170	-160		
Finance, Insurance, and Real Estate	-1,030	0	-30	100	80		
Services	-2,800	390	-290	-490	-380		
All Government	14,120	80	110	210	390		
Change from October 2000							
Civilian Labor Force*	79,070	2,730	4,000	1,650	8,380	1,930	2,280
Persons Employed	42,430	1,020	1,360	870	3,250	640	540
Persons Unemployed	36,640	1,710	2,640	780	5,130	1,280	1,730
Unemployment Rate	1.2%	1.9%	2.6%	1.4%	2.1%	2.4%	4.1%
Total jobs of all non-farm industries**	-3,680	30	400	270	700		
Goods Producing Jobs	-31,860	-850	-1,310	-400	-2,560		
Service Producing Jobs	28,180	880	1,710	670	3,260		
Construction & Mining	-2,040	-10	-60	10	-50		
All Manufacturing	-29,820	-840	-1,260	-410	-2,510		
Transportation, Communications & Public Utilities	-50	-90	40	-10	-50		
Wholesale Trade	-2,850	-10	130	-40	80		
Retail Trade	1,690	-180	-290	130	-330		
Finance, Insurance, and Real Estate	3,450	-30	-60	280	200		
Services	13,690	990	1,320	220	2,530		
All Government	12,250	190	570	80	850		

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

Questions and comments regarding this publication are welcome. Direct to: **Eric Grosso, State Labor Market Economist**
 201 E. Washington Avenue, Room G200, Madison, Wisconsin 53703
 608-266-7034 608-266-5887(FAX) E-mail: grossoer@dwd.state.wi.us
 Look for the most current Labor Market Information at: WWW.DWD.STATE.WI.US/LMI